



ANNUAL REPORT 2020

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TO OUR STOCKHOLDERS

Our mission is to increase protective factors such as improved sleep, diet, and exercise which are proven methods to increase brain functioning. We focus on building healthy lifestyles and work along-side our stakeholders and clients to teach and support wellness.

Healthy Relationships are what human beings need to thrive. First, we teach how to build a relationship with one's self then others. IMCES strives to improve society and make an impact one person at a time.

Strategic Highlights

IMCES's strategy to improve society has been to form a company that can engage the community through mental health services along with healthy living services. Healthy living includes outdoor activities, purchasing and preparing nutritional meals, and helping clients to organize their affairs in a positive and healthy manner. IMCES provides support for both children and adults.

Financial Highlights

IMCES grew from gross income of \$50,000 in 2019 to \$450,000 in 2020. IMCES was able to employ staff members during the quarantines of COVID and continued to receive new intakes for mental health services which contributed to the higher earnings.

Operating Highlights

IMCES was able to cover its expenses with our income. We were able to employ staff to meet the needs of our clients. Systems have been put in place to create a fast, easy, and safe platform to manage company financial data and information. IMCES continues to expand operations by increasing client intakes and treatment plans. As the company's clientele increases operating space is also increased. The company currently operates from two office locations. As the number of clients increase, additional space is rented from the medical building, which is one of the two IMCES locations.

“IMCES staff members provide a family friendly environment to give client-centered services like mental health therapy, case management and pro bono work for uninsured clients”.
Genice Williams-Rivers, CEO.

Looking Ahead

Home-School-Community

I Matter Counseling is community based:

Connecting Children and families to community resources to facilitate healthy relationships and promote safety first and empowerment to achieve goals and dreams.

Genice William-Rivers

MA, NCC, LPCC-S, President/CEO

12/31/2020

FINANCIAL SUMMARY

I Matter Counseling & Empowerment Services (IMCES), had total income of \$449,826.37 for the fiscal year of 2020 according to the reconciled QuickBooks cash management system and IMCES bank account records. Expenses for operating the non-profit organization amounted to \$ 457,529.05 resulting in a net loss of \$5,790.66. Most businesses do not make any profit in their first year of business, according to Forbes. In fact, most new businesses need 18 to 24 months to reach profitability. And then there is the reality that 25 percent of new businesses fail in their first year and sixty-nine percent survive the first two years according to the Small Business Administration. IMCES's performance indicates that it is well on its way to a successful year in 2021. The following table is a breakdown of income and expenses for the fiscal year of 2020.

Accounts	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Total
Expenses	\$2,690.85	\$ 16,718.33	\$18,552.08	\$27,785.15	\$42,522.32	\$41,950.85	\$38,539.82	\$60,929.14	\$48,380.52	\$ 49,726.20	\$54,121.86	\$55,611.93	\$457,529.05
Income	1,822.27	13,187.24	14,789.87	21,047.46	38,928.87	44,806.12	37,864.08	56,615.76	50,659.16	49,406.90	59,790.90	60,907.74	\$449,826.37

IMCES has written off \$386,509.65 in uncollectable revenue for the year. The insurance payers pay IMCES according to contract. The following table shows the revenue recorded in IMCES QuickBooks (QB) accounting system and the company's EHR (electronic health record) system Therapy notes (TN). The *Difference* column shows the difference between the income recorded in TN and QB. The *Total Revenue* column is the amount of revenue recorded in TN and what was written off for the month.

Revenue Report 12/1/19 to 11/30/20

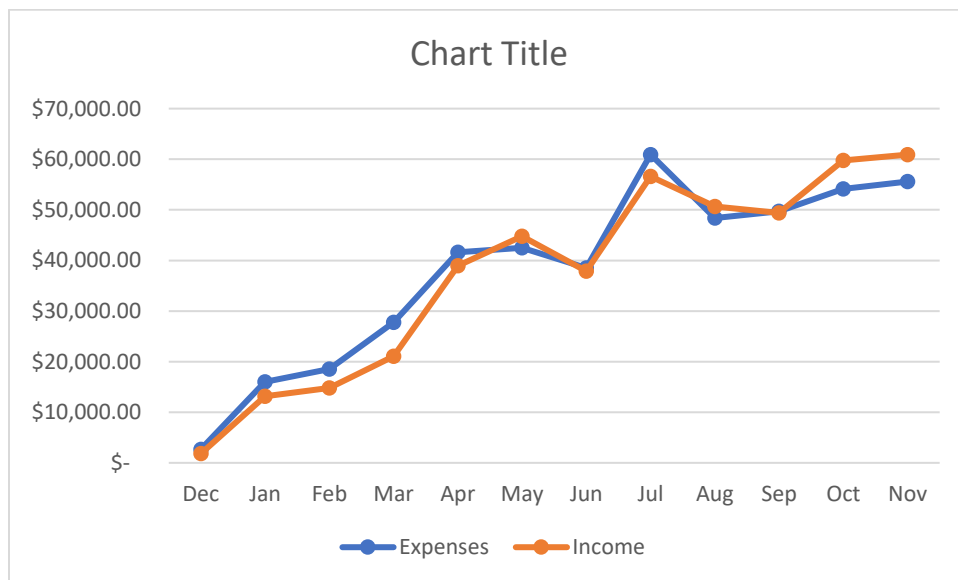
Month	QuickBooks	Therapy Notes	Difference	Write-Off	Total Revenue
Dec	\$ 1,822.27	\$ 15,734.16	\$ (13,911.89)	\$ 14,663.09	\$ 30,397.25
Jan	\$ 13,187.24	\$ 12,188.95	\$ 998.29	\$ 14,771.44	\$ 26,960.39
Feb	\$ 14,789.87	\$ 11,082.48	\$ 3,707.39	\$ 17,406.54	\$ 28,489.02
Mar	\$ 21,047.46	\$ 23,251.21	\$ (2,203.75)	\$ 28,347.26	\$ 51,598.47
Apr	\$ 38,928.87	\$ 40,314.54	\$ (1,385.67)	\$ 37,380.30	\$ 77,694.84
May	\$ 44,806.12	\$ 37,164.93	\$ 7,641.19	\$ 32,166.42	\$ 69,331.35
Jun	\$ 37,864.08	\$ 37,955.80	\$ (91.72)	\$ 36,998.58	\$ 74,954.38
July	\$ 56,615.76	\$ 44,777.64	\$ 11,838.12	\$ 42,424.24	\$ 87,201.88
Aug	\$ 50,659.16	\$ 47,553.17	\$ 3,105.99	\$ 44,505.10	\$ 92,058.27
Sep	\$ 49,406.90	\$ 49,581.99	\$ (175.09)	\$ 49,511.26	\$ 99,093.25
Oct	\$ 59,790.90	\$ 52,651.43	\$ 7,139.47	\$ 53,524.49	\$ 106,175.92
Nov	\$ 60,907.74	\$ 58,147.60	\$ 2,760.14	\$ 14,810.93	\$ 72,958.53
Total	\$ 449,826.37	\$ 430,403.90	\$ 19,422.47	\$ 386,509.65	\$ 816,913.55

QuickBooks' amount is larger than the income amount in Therapy Notes due to other payments received from a combination of clients who pay for their services out-of-pocket, IMCES merchandise sales, and charitable donations.

Insurance payers usually pay partially what is due. The allowed amount which IMCES bills is the maximum amount allowed according to the contract. IMCES seeks to bill the insurance payers the maximum amount allowed to help make up for the uninsured clients who do not pay as frequently as insurance companies do. Also, the pro bono work which IMCES has done in the fiscal year amounts to 125 hours distributed among 13 clients amounting to \$33,913.24. The annual total revenue including write-offs and pro bono work then amounts to \$850,826.79.

The difference in monthly income that is reflected in IMCES's bank records and the revenue report in TN is due to the time lag from the time insurance payers post their payments until IMCES actually receive the payment.

The following graph shows how IMCES has progressed through the fiscal year matching expenses to income in order to meet client needs.



IMCES seeks not only to provide mental health treatment but to also teach clients healthy living skills by providing such services as a mentorship program for the youth, community outings to promote physical fitness and positive / constructive activities. The following graph shows how IMCES expenses grouped into the most significant spending categories.

FINANCIAL STATEMENTS

Statement of Financial Position

I Matter Counseling & Empowerment Services (IMCES), Inc.	
Balance Sheet	
As of December 10, 2020	
ASSETS	
Current Assets	
Bank Accounts	
1110 Business Checking (king)	\$ 5,231.00
1120 Business Savings	\$ 1,008.34
Total Bank Accounts	\$ 6,239.34
Accounts Receivable	
1210 Accounts Receivable (A/R)	\$ (402,788.68)
1215 Allowance for Doubtful Accounts	\$ 402,788.68
Total Accounts Receivable	\$ -
Other Current Assets	
Office Equipment	\$ 7,646.65
Total Other Current Assets	\$ 7,646.65
Total Current Assets	\$ 13,885.99
Fixed Assets	
1500 Furniture & Fixtures	\$ 4,421.93
Total Fixed Assets	\$ 4,421.93
TOTAL ASSETS	\$ 18,307.92
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
AT&T (Iphone Contract)	\$ 3,479.74
Fingerhut	\$ 858.19
Total Accounts Payable	\$ 4,337.93
Total Current Liabilities	\$ 4,337.93
Total Liabilities	\$ 4,337.93
Equity	
Opening Balance Equity	\$ 288.69
Owner's Pay & Personal Expenses	\$ 12,944.96
Owner Investment	\$ 6,146.65
Net Income	\$ (5,410.31)
Total Equity	\$ 13,969.99
TOTAL LIABILITIES AND EQUITY	\$ 18,307.92

Statement of Comprehensive Income (Profits and Losses)

I Matter Counseling & Empowerment Services (IMCES), Inc.

Profit and Loss

December 2019 - November 2020

	<u>Total</u>
Income	
1010 Services	438,068.17
Owner Investment	11,758.20
Total Income	\$ 449,826.37
Cost of Goods Sold	
5710 Contract Labor	19.55
T-Shirts	1,332.35
Total Cost of Goods Sold	\$ 1,351.90
Gross Profit	\$ 448,474.47
Expenses	
5110 Salaries & Wages	149,244.61
5115 Employee Bonus	31,544.92
6115 Bank Charges & Fees	1,736.34
6150 Vehicle Expenses	6,968.57
6311 Insurance	885.99
6511 Meals & Entertainment	25,594.31
6611 Office Supplies	14,379.70
Information Technology	15,182.56
6691 Rent - Office	7,267.67
6811 Travel	10,206.73
6855 Manager Fees	13,638.28
6860 Charitable Donations Paid	35,798.94
6865 Mileage Reimbursement	11,748.50
6870 General and Administrative Expense	119,134.89
6875 Interpreter Expense	185.00
6880 Equipment Expense	10,890.80
6916 Miscellaneous Expenses	221.00
Employee Training	633.00
Mentorship Payroll	292.50
QuickBooks Payments Fees	27.09
Return	-32.35
Total Expenses	\$ 457,529.05
Net Operating Income	-\$ 9,054.58
Net Loss	-\$ 9,054.58

Statement of Changes in Equity

At the beginning of the fiscal year 2020 the company had \$288.69 in its checking account. After one year of operations the company brought in \$448,919.47 in income. After \$454,329.78 of operating expenses the company had a net loss of \$5,410.31. This loss was covered by owner investments into the company.

**I Matter Counseling & Empowerment Services (IMCES), Inc.
Statement of Retained Earnings
For the Year End November 2020**

Retained Earnings 1 December 2019	288.69
Add:	
Net Profits:	-9,054.58
Less:	
No Dividend Declared	
Retained Earnings 30 November 2020	<u>-9,054.58</u>

Statement of Cash Flows

IMCES's cash flow statement summarizes the amount of cash and cash equivalents entering and leaving the company. The cash flow statement measures how well the company manages its cash position, meaning how well the company generates cash to pay its debt obligations and fund its operating expenses.

I Matter Counseling & Empowerment Services (IMCES), Inc. Statement of Cash Flows December 2019 - November 2020

	<u>Total</u>
OPERATING ACTIVITIES	
Net Income	-9,054.58
Adjustments to reconcile Net Income to Net Cash provided by operations:	
1210 Accounts Receivable (A/R)	0.00
2110 Accounts Payable	4,337.93
	<u>4,337.93</u>
Total Adjustments to reconcile Net Income to Net Cash provided by operations:	4,337.93
	-
Net cash provided by operating activities	4,716.65
INVESTING ACTIVITIES	
1500 Furniture & Fixtures	-4,205.94
	<u>-4,205.94</u>
Net cash provided by investing activities	4,205.94
FINANCING ACTIVITIES	
Opening Balance Equity	288.69
Owner's Pay & Personal Expenses	12,944.96
	<u>12,944.96</u>
Net cash provided by financing activities	13,233.65
	-
Net cash increase for period	4,311.06
Cash at beginning of period	288.69
	<u>288.69</u>
Cash at end of period	4,599.75

The cash that came into the company came from operations and owner investment. The outgoing cash was mainly for furniture and fixtures.

NOTES TO FINANCIAL STATEMENTS

Accounts

IMCES is in a strong financial position. The company had \$9,548.06 of working capital at the end of 2020. The company's liquidity scores at 1.43. If a company's cash ratio is greater than 1, the company has more cash and cash equivalents than current liabilities. In this situation, the company has the ability to cover all short-term debt and still have cash remaining.

IMCES's profit margin shows that the business is using its revenues to generate a profit.

Because IMCES is a nonprofit the company does not seek to make profits but, to use those profits to expand operations and meet client needs. The company therefore seeks to match expenses with revenues. In 2020, IMCES was able to use the revenues from the company to expand operations and meet client needs at a rate of \$-0.00012. This number means that for every dollar IMCES made in 2020, 0.00012 cents was lost. The company's debt to equity ratio is 34% meaning that most of the operations are paid for by the service revenue of the company and little financing is used.



Debt

IMCES has \$4,337.93 of current liabilities. This debt is to pay off furniture and office expenses that were accumulated in the 2020 fiscal year. This debt will be paid off during the course of the 2021 fiscal year.

“We provide:

*CLEAN AND SANITARY
ENVIRONMENT*

*ACADEMIC
SUPPORT/TUTORING*

VIRTUAL LEARNING SUPPORT

*PARENTAL
INVOLVEMENT/TEACHER*

*SCHOOL COMMUNICATION
SUPPORT*

*FITNESS AND NUTRITION
EDUCATION AND SUPPORT*

*BEHAVIORAL AND EMOTIONAL
SUPPORT*

*HEALTHY MEALS
DRESS CODE AND ETHICAL
BEHAVIOR ENVIRONMENT*

*FINANCIAL PLANS AND
SUPPORT AVAILABLE!”*

Takeaways

IMCES sets goals of Engagement, Motivation, Behavior Change, and Connecting to family and community to support and maintain behavior change.